UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MASSACHUSETTS

ENTEGRIS, INC.,	)	
Plaintiff,	)	
v.	)	Civil Action No. 03-10392-GAO
PALL CORPORATION,	)	
Defendant.	)	

BEFORE THE HONORABLE GEORGE A. O'TOOLE, JR.
UNITED STATES DISTRICT JUDGE

MOTION HEARING

John J. Moakley United States Courthouse
Courtroom No. 9
One Courthouse Way
Boston, Massachusetts 02210
Wednesday, March 18, 2009
2:50 p.m.

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P R O C E E D I N G S

Next up for a motion hearing will be Entegris, Inc., versus Pall Corporation, which is Docket 03-10392.

Would counsel please identify yourselves for the record.

MS. WENDLANDT: Your Honor, Dalila Wendlandt for Entegris, and with me I have Doug Chin from Ropes & Gray.

MR. HARTMANN: I'm Mike Hartmann for Pall Corporation, the defendant, and with me is Mark Phelps.

Good afternoon, Judge.

THE COURT: Good afternoon.

I think this is Entegris's motion to amend the protective order.

MS. WENDLANDT: That is correct, your Honor.

This is a dispute, your Honor, about the terms of a prosecution bar. It is not a dispute between the parties as to whether or not the protective order should be amended at all to include a prosecution bar. And that fact makes this case very different from all the cases upon which Pall relies in support of its position.

Now, the parties have extensively briefed the changed circumstances that require the amendment that both parties agree is needed for the protective order, and I won't belabor that. It's extensively briefed in the opening memorandum, the surreply, the reply and the opposition.

I wanted just to take this time today to highlight three errors and inconsistencies of Pall's position. The first is the question whether Pall's counsel is a competitive decision-maker for Pall; the second is whether the post-issuance -- that is, proceedings that happened in the Patent and Trademark Office after a patent has issued, such as reexamination proceedings -- require different considerations than those that apply to a pending patent application; and, finally, Pall's notion that -- the concerns that Entegris has about its confidential information is merely hypothetical.

With regard to the first, your Honor, Pall's trial counsel is a competitive decision-maker. There really can be no doubt. And how do we know? The reason we know is because Pall's position is that there needs to be a prosecution bar in this case. They agree that it needs to apply to pre-issuance proceedings as well as to re-issued proceedings where the patent can be broader. Having acknowledged that, Pall's taken position -- the opposite position -- that we haven't shown that they are, on an individual-by-individual basis, a competitive decision-maker, is simply wrong. Pall acknowledged in 2003 when these cases began that a prosecution bar was necessary, and the parties entered into a side agreement where we agreed that people prosecuting and people litigating would be separate.

Pall has structured its patent legal advice separately

geographically. Pall uses its Leydig D.C. office for prosecution matters under the supervision of John Belz, who has been prosecuting patents for Pall in this filter technology area for at least the last 15 years. And then its litigation is run out of D.C., so there's this physical separation -- a tacit acknowledgment that prosecuting patents for Pall -- patent prosecutions for Pall is a competitive decision-making aspect of Pall's business.

So the question in this case is not whether or not Pall's trial counsel is a competitive decision-maker; they are. And this makes that -- this case very different from the cases that Pall relies upon. Each of those cases -- *Avocet*, *Donnelley, Eli Lilly*, *In re Sibia* -- involve cases where the party opposing the prosecution bar opposed it entirely, not just to re-issuance proceedings or reexamination proceedings; they did so entirely.

In this case Pall, through its actions, has acknowledged that it is a competitive decision-maker -- Pall's counsel is a competitive decision-maker on behalf of Pall. In fact, that fact makes the decision in *Presidio* from the Southern District of California in 2008 more applicable to this case than any of the cases cited by Pall. That's a case that Integra cites.

In that case the plaintiff, who opposed the prosecution bar for one particular counsel, agreed that a

prosecution bar at all was necessary. And because of that the court -- the Southern District of California concluded that -- having made that admission, that there is a prosecution bar necessary at all; therefore, the party had admitted that the attorney at issue was a competitive decision-maker for the party.

The second point I'd like to make is Pall's inconsistency. They claim that because in reexamination proceeding claims can only be narrowed, that different considerations apply. That is simply not the case. Entegris's position is that no one who is crafting claims before the Patent and Trademark Office should do so with the knowledge of its chief competitor's confidential information.

Everyone agrees that this should be the case for pending patent applications, and everybody agrees that in the case of broadening reissue applications -- that is, when the patent has already issued and it goes back to the patent office to be broadened -- that no one should use confidential information gained during the litigation or should be exposed to that information while at the same time crafting claims.

Entegris's position is that even in cases such as reexamination proceedings where the claims can only be narrowed, the same considerations apply; those claims should not be narrowed by counsel who has access to confidential information of its principal competitor.

This was the same reasoning that led the court in *Visto* in the Eastern District of Texas in 2006 to apply a prosecution bar to reexamination proceedings, and it's very similar to what the federal circuit did in 2005 in *Grayzel*. In that case the protective order had a provision, like the provision in Paragraph 9 of the current protective order, which said confidential information may only be used for purposes of the litigation. In *Grayzel*, the federal circuit upheld an injunction against the patentee -- not just the patentee's counsel, but the patentee himself -- from participating in the reexamination.

It also makes -- this fact is also -- distinguishes the *Hochstein* case. Pall cites the *Hochstein* case for the proposition that that district court allowed participation in a reexamination proceeding. But if you look at the case, your Honor, it's very different from the circumstances we have here. In that case the plaintiff, who wanted to participate in the reexamination proceeding, pledged not to amend those claims at all. The plaintiff's counsel's position was that they would only argue that the claims, as they were, survived despite the prior art that came to the attention of the PTO.

Also, in that case the plaintiff had no one like Mr. Belz in the D.C. office of Leydig who had the technical expertise of litigation counsel. And finally, the financial disparities of the parties in the *Hochstein* case were such that

the court felt that the defendant, Microsoft Corporation in that case, was taking advantage strategically of a reexamination procedure and a prosecution bar to disadvantage the plaintiff.

Here Pall has not come forward with a pledge, nor do I believe it will come forward with a pledge, that at any post-issuance examination proceedings it would not amend the claims. Indeed, we have evidence to the contrary. There are two currently pending reexaminations of patents that Pall has asserted against Entegris in New York. And in those cases Pall counsel, John Belz, along with the assistance of Pall's present trial counsel, has amended the claims. So I would suggest that the *Hochstein* case is entirely different from the matter we have before us.

And, finally, Pall has taken the position that Entegris's concerns about confidentiality are merely hypothetical. This is simply not the case. One of the exhibits that we have presented to your Honor are the document requests that Pall has submitted to Entegris, and which we have an obligation to respond to.

There are 76 separate requests asking for information concerning the methods of the manufacturer of Entegris's devices covered by the patent, the design, and any evaluations, any tests. So Pall's claim that there is no confidential information at issue is simply -- cannot be squared with the

request that it has outstanding.

Moreover, there isn't a specific concern with regard to the products at issue in this case. We have now, since 2003, evolved. The parties are now entangled in five separate litigations concerning patent infringement. It's not the first case, as it was in 2003. There are now five pending cases. Four of those involve the products at issue in this case: Pall's EZD-3 product and Entegris's Impact line of products. Because of that we think that the concern of confidentiality is, in fact, not hypothetical, and actually very real.

So therefore, in conclusion, we think, you know, that the issue here is very different from the cases that Pall relies upon. The prosecution bar is necessary, and there's no reason why Pall's counsel should be in a position to inadvertently use or disclose any information that it gains in this litigation for purposes of crafting its claims, whether they are pending patent application claims, whether they are reissue claims or reexamination claims. There is no reason why anyone with access to a competitor's -- its chief competitor's confidential information should be allowed to prosecute patents and determine the scope of claims.

Thank you, your Honor.

THE COURT: Mr. Hartmann?

MR. HARTMANN: Thank you, Judge. I apologize if my voice isn't quite there, but I have a feeling I suffer from the

same malady you are.

THE COURT: You're in good company.

MR. HARTMANN: Your Honor, Entegris here wants a remedy which no case -- no court has ever granted as far as either one of us has been able to find, and that is a prosecution bar relating to a patent that's not even in suit here. So what we see is an attempt to leverage somebody else's reexamination on somebody else's patent in another lawsuit into some kind of a tactical advantage, quite frankly, to disqualify, to some extent, Mr. Phelps, myself, you know, our -- all the lawyers participating in this litigation.

The New York court has addressed it and has said, "No, we're not going to do that" in another case that Pall filed in New York against Entegris where they tried the same thing. No court that I know of has ever done anything like this. This is not a situation where we -- let's say, the Pall Corporation, filed a reexamination against any of the patents in suit before your Honor in this case or even in the consolidated case. This is a completely different patent case.

Now, of course what it leads to is the question of whether any of the information can possibly be even relevant -- that is, the confidential information that we might see could even be relevant -- in this reexamination. I suggest it can't be as a matter of fact and as a matter of law; as a matter of fact because they're different patents in suit here than are

involved in the reexamination, and as a matter of law because just recently Judge Robinson in Delaware has addressed that matter.

We submitted the case -- or we attempted to submit the case in a supplemental submission, but I think the Court can take notice of it -- judicial notice of it -- whether or not the formal motion is granted. It's an interesting case, just decided within the last couple of weeks, in which she addressed it. And she indicated that the reexamination examines the prior art only.

It's like another validity look that the patent office does. It doesn't care what Entegris's products are; it doesn't care what Pall's products are; it doesn't care what the markets are. It looks at properly positioned, properly positive prior art in the patent office, and it asks the examiner to please have another look at this supposedly new prior art to see whether perhaps -- because the examiner didn't know about it before, perhaps a decision should be to narrow the claims, or to strike down the claims altogether. So this is -- as a matter of law, I think Judge Robinson is entirely correct, that there is no relevance at all to this confidential information.

So now where it leads, of course, further is that, in a reexamination, at most one can limit the claims. You always, as a patentee, hope to come away without having made any amendments, but sometimes amendments are appropriate in light

of the new prior art, and so you amend the claims. But the only way you can amend it -- and I think we agree on this, Entegris and Pall -- is that you can narrow them -- that's all you can do -- so that the new claims have all the limitations of the old claims plus some more limitations. So they become much narrower, so they would be even less of a threat, if you will, to an accused infringer.

So, you know, we are suggesting that there's no showing that there's any likelihood of any harm by having no prosecution bar; there's no need for any prosecution bar. The argument that there is some harm is basically fabricated. I mean, it's all hypothetical. I would challenge Ms. Wendlandt to have come up with some concrete showing of what the harm could possibly be. They failed to do so. They're just waving their hands in the air and they're talking about -- I heard her say something about tacit acknowledgments about, you know, having our prosecution handled by our Washington office.

We have sort of hypothetical, some inadvertent disclosure arguments without a single showing of what is it that we would inadvertently disclose. I mean, how would that even occur in a reexamination relating to some other patent as it's pending right now? So I think if we know one thing, it is that courts have more recently -- in newer cases, all have decided that, I think, an applicant for a prosecution bar ought to make a specific showing. There ought to be some factual

record that underlies the need for a prosecution bar.

In this case where the patent in this lawsuit isn't even the one that is in reexamination, there's been a total failure of proof, a total failure of a record, upon which the Court could decide that there is the requisite possible harm to Entegris and weigh that against the possible prejudice as to Pall.

So let me address the prejudice for a moment. We've represented Pall since the 1980s, I think. I don't even know exactly when it was, but for many, many years. We have a Washington office, to be sure, but they don't only do prosecution -- or some prosecution is done in our Chicago office; some prosecution is done in our Washington office. So this idea that somehow because we have a Washington office that engages primarily in prosecution is some kind of an admission that, you know, we need a prosecution bar is just utter nonsense. I mean, if that's the best they have, it's just so flimsy -- I mean, it supports nothing.

If there were some showing of some -- I am for prosecution bars in principle, Judge. I think they're entirely appropriate. So if, for example, we had a situation where we were prosecuting, let's say, cases that would be directly related to something here in suit, some product in suit, maybe that would be appropriate where we could fashion new claims, let's say, to cover some new product that we might find out

about in Entegris's production.

Under those circumstances I think it's entirely appropriate to have a prosecution bar. But what is not appropriate is where you have a situation where you cannot fashion new claims. There is no need for a prosecution bar.

And that's the fundamental difference here. There was no need for it when we -- we entered into the agreement in 2004. When we had a protective order in 2004, we amended it. We agreed there should be a prosecution bar that covered new claims -- the drafting of new claims -- to prevent either side from attempting to take advantage of some discovery that we got from the other side in order to fashion patent coverage on those products.

That's not the situation that we are facing today on this motion. The very fact that their motion is entitled "A Motion to Amend," of course, indicates, I would think quite clearly, that we agreed at the time that the prosecution bar would not extend to reexaminations for the very reason that it doesn't need to extend to reexaminations. There simply isn't a danger in reexaminations that claims will be expanded, and expanded unfairly, based on confidential information.

I would like to point out one other thing. In Paragraph 2 of the protective order, both sides agreed that all the information that is produced in this action should be used only for purposes of this action. So we are already bound --

both sides are bound -- not to misuse the information: not to use it in patent office proceedings; not to use it for any other action but this one.

So I think there's ample protection to Entegris. I think there's no need -- I think Judge Robinson expressed quite well what the law is and under what facts prosecution bars should apply. And certainly there's no showing that those facts are present in this case.

Thank you.

THE COURT: Anything else?

MS. WENDLANDT: Your Honor, if I may, just a few points in rebuttal.

Mr. Hartmann's position is difficult to grasp. First he says no prosecution bar, then he says there was a prosecution bar and we agree that there should be a pre-issuance of the prosecution bar. The fact is I take their position to be the one in their papers and not the one presented at oral argument, that both parties agree that the protective order need be amended to formalize their 2003 agreement that there needs to be a prosecution bar; that Pall's trial counsel and Entegris's trial counsel are competitive decision-makers for the parties. That really cannot be in dispute.

Just to address Judge Robinson's recent decision in *Kenexa*, that case is entirely different from this -- what is

presented before your Honor. In that case the party seeking to extend a prosecution bar to reexamination specifically opposed that when asking for a protective order initially. The case is entirely different. And there has been no position by Entegris other than the consistent position that the prosecution bar should extend to reexaminations, which was not the position of the *Kenexa* defendant.

And finally, to answer Mr. Hartmann's challenge what use could somebody in his position make of confidential information -- and with all due respect, I don't think Mr. Hartmann would actually do this because, as he says, it would be a violation of Paragraph 9 of the protective order -- but here's the use: In a reexamination proceeding, claims are narrowed -- at least they're supposed to be narrowed. So they have all of the elements of the original claim and then some. Someone who had access to Entegris's confidential information could add the new element, knowing that it existed in Entegris's products but didn't exist in the prior art.

Entegris's position is that nobody in this litigation should be using confidential information, whether they're crafting claims related to a reexamination, related to a reissue or a pending patent application. Confidential information should be used, as Paragraph 9 says of the protective order, solely for the purposes of this litigation, and should not be used inadvertently or otherwise to craft

claims, whether those claims are pre issue or post issue.

Therefore, your Honor, we ask that you grant our motion.

THE COURT: As an example?

MR. HARTMANN: I would point out there's a big difference between a pre-issuance prosecution activity and a post-issuance reexamination. Reexamination isn't even prosecution for the reasons I said. Whenever claims are broadened in reexaminations, they've been invalidated. They're invalid. There are several cases where that's happened. So there's no danger of changing the claim scope. None of this fear is real; it is all hyped up.

THE COURT: Well, I take it -- the hypothetical was that it could be narrowing with respect to the parties in another context but gives some strategic advantage in this other context.

MR. HARTMANN: Well, there would be no strategic advantage because it would not expand the coverage. We wouldn't have any further rights that we don't already have now. The effective rights --

THE COURT: Well, it would be narrowed as to that patent but -- well, okay. I see what you --

MR. HARTMANN: It's difficult to conceive of any advantage one could --

THE COURT: Let me ask a different question: This

controversy arose, I gather, because there were pending reexamination proceedings, which I think the briefs have said are wrapped up somehow, right?

MS. WENDLANDT: Your Honor, there's some confusion on that. Pall represented to this Court and to Entegris that the reexamination was essentially over. Looking at the docket of the case -- the other case that they have related to these same patents -- there was a notation in there that the parties -- that is, Cuno, who's not obviously a party to this action but was a party who initiated the reexamination in the New York proceedings -- Cuno and Pall should discuss the other prior art that Cuno had. We're not -- that would be made part of the reexamination. So it's my understanding that the reexamination is not closed.

But just further to the point, the point is not whether -- not that particular reexamination. That's what changed the circumstances and opened Entegris's eyes to the possibility of the exchanger using its confidential information. And that's why Paragraph 9 of the protective order is not enough and why we need an express prosecution bar that extends to the reexamination proceedings.

We have an example of one out there; there may be others.

THE COURT: Well, how would a development in that reexamination have impacted Entegris? In the real ones? In

the Cuno one?

MS. WENDLANDT: In the Cuno one --

THE COURT: In other words, what would have happened there that would have impacted Entegris's interest because of the participation of the lawyers?

MS. WENDLANDT: Exactly the situation that -- the hypothetical that I was posing, that currently Mr. Hartmann and Mr. Phelps do not have attorneys'-eyes-only information from Entegris. They have asked for that kind of information in this litigation, and the parties have not exchanged that information because they have had this dispute for the last several months concerning the protective order.

If they had that information, they could use it to craft a claim that included Entegris's inner filter pleating configuration but got around the Soviet or Japanese reference that is at issue in that reexamination. So they add, you know, a claim that says -- you know, I can't think of a hypothetical, but they add a claim that says manufactured in this particular way, which our documents would show how those -- how Entegris's filters are manufactured.

Now, that is not an element in the prior art, it's not an element in their current claims, but they could add it, and so capture our products while at the same time getting --

THE COURT: It would be a fair patent-not-in-suit-yet, right?

MS. WENDLANDT: That's right. And the point of that is it's not that the patent is not in suit; it's that these patents cover a product line. And the confidential information that Pall has sought is not confined to aspects covered by the patents in suit in these three litigations. So that -- and nor are the documents written patent by patent.

So we have examples of presentations related to the Impact -- the Impact product line. Some of those presentations concern the filter technology similar to the "quick connect" mechanism that's at issue in this case; parts of those presentations concern manufacturing methods, parts of those concern the inner workings of the pleating configurations which are at issue in the New York litigation.

And so what we're requesting from your Honor is to give us some sense of certainty as to what protection this confidential information will be allowed to have.

MR. HARTMANN: I want to make two points. One is, simply, we can't just add to the present claims something about the Entegris filter. We're limited to the disclosure in the patent, the underlying specification of the patent. Ms. Wendlandt seems to think we can just add anything at any time.

That's just not so. This is what Judge Robinson, of course, relies on. We're limited -- we're strictly limited to what is disclosed in the specification. And if it is disclosed

in the specification, well, then indeed we are and are entitled to use any of that. Of course. That's what the law provides. Point one.

Point two is we've already committed in writing in that protective order not to use the information for anything other than this litigation. So, again, this is a sort of fanciful hypothetical that is, you know, difficult to follow. I mean, there just isn't any showing of any concrete harm.

And thirdly, your Honor, I don't know if you've ever seen a reexamination certificate. Here's one that just came down yesterday. There were two reexaminations that Cuno has precipitated; one on a product patent; the other one was an equivalent process patent. The first one on the process patent came down in which the claims were changed by adding to the claims an element that was formerly in one of the dependent claims. So we took an element of the dependent claim, put it in the main, independent claim as well.

So it's sort of a classic example of narrowing the claim. I'd be happy to hand it up if your Honor would like to take a look at it.

But the other one, the product patent that is also in reexamination, has not yet -- or the examiner has not yet issued what is called this reexamination certificate. I don't know if -- the patent office has its own timetables. I don't --

THE COURT: Is there an office action that indicates they will? I mean, is there --

MR. HARTMANN: Yes.

THE COURT: Okay.

MS. WENDLANDT: Your Honor, can I just -- one more thing on the disclosure issue. Yes, all patentees are limited to claim only that which they disclose. The point is that they should not be claiming based on confidential information that they have of their chief competitors through litigation. That is true for a pending patent application, as to which Pall says there should be a prosecution bar, and it's also true for a reexamination.

So the fact that Pall is limited to its disclosure is really not a distinction between reexamination proceedings as to which they don't want to have a prosecution bar and pending patent applications as to which they concede one is necessary.

THE COURT: Okay. I'll reserve on it and let you know. Thank you.

Let me turn to the other motion, which is regarding the schedule. This is an agreed one, so I'm not sure --

MS. WENDLANDT: Yes, your Honor. The only caveat I would have about the scheduling is because the parties have become -- have been unable to agree on the scope of protection, although --

THE COURT: I'm sorry?

MS. WENDLANDT: Because the parties have been unable to come to an agreement on the scope of the protective order, we have not been able to exchange confidential information. And as a result, I suspect that status will continue until your decision on the pending motion. So I would say that we should tie any schedule that we agree to to that decision.

MR. HARTMANN: I think what we're saying is that the August 10th date that we indicated is optimistic at this point, and we may well have to get some more time.

THE COURT: I see. I see. Okay.

MS. WENDLANDT: That's right.

THE COURT: Why don't we just take that off the table, then, and let you work on a new one. What I would suggest is that you take a look at the new local rule on Markman scheduling. It's not mandatory in the sense that it has to be complied with, but it's intended to be a template which can be used. And it has a few more steps to set up the thing. And so keep that -- just keep that in mind as you negotiate the new schedule.

So I'll resolve the pending issue and then after that you can submit a new proposed -- there's no question an extension will be granted; it's just a question of what it will look like. And so why don't you work on that.

But I would just recommend that you have some eye towards the -- again, not slavish, necessarily, but some

attention to the local rule.

MS. WENDLANDT: Certainly, your Honor.

THE COURT: Okay.

MR. HARTMANN: Thank you.

THE COURT: Thank you.

MS. WENDLANDT: Thank you.

THE CLERK: All rise.

Court is in recess.

(The proceedings adjourned at 3:20 p.m.)

C E R T I F I C A T E

I, Marcia G. Patrisso, RMR, CRR, Official Reporter of the United States District Court, do hereby certify that the foregoing transcript constitutes, to the best of my skill and ability, a true and accurate transcription of my stenotype notes taken in the matter of Civil Action No. 03-10392-GAO, Entegris, Inc., v. Pall Corporation.

/s/ Marcia G. Patrisso
MARCIA G. PATRISSO, RMR, CRR
Official Court Reporter